

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6268**

**BILL NUMBER:** SB 61

**NOTE PREPARED:** Nov 19, 2007

**BILL AMENDED:**

**SUBJECT:** Concentrated Animal Feeding Operation Construction.

**FIRST AUTHOR:** Sen. Paul

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**    **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill establishes a three-year moratorium on the start of construction of concentrated animal feeding operations.

**Effective Date:** July 1, 2008.

**Explanation of State Expenditures:** There would be little reduction in expenditures for the Department of Environmental Management (IDEM). IDEM travels to appear before local governments considering applications for confined feeding operations (CFOs) on a semi-regular basis as part of the permit program – even when no permit is under consideration.

**Background:** Approximately 2,242 farms have an IDEM confined feeding approval permit to conduct business. IDEM regulates operations in part on the distance or "setback" a proposed manure application would be from a water source. The water setback under current rule ranges from 50 to 500 feet, depending upon the water source.

**Explanation of State Revenues:** IDEM received 158 CFO/CAFO permit applications in FY 2007. Of this total, 106 were CAFO applications. Of the CAFO applications, 98 were general permit construction applications which require a \$150 fee; 8 were individual permit construction applications which require a \$250 fee. If the number of applications remained constant, the revenue decrease would equal about \$16,700 per year. Fees are deposited in the Environmental Management Permit Operation Fund.

**Explanation of Local Expenditures:** The specific impact is not expected to be significant. The bill could result in a decrease in administrative expenditures for local units involved in approving operations.

**Explanation of Local Revenues:** The specific impact is not expected to be significant. The bill could result in a reduction in the collection of filing fees or public notification costs.

**State Agencies Affected:** IDEM.

**Local Agencies Affected:** Counties; Planning and zoning authorities.

**Information Sources:** Legislative Report on CFO/CAFO Activities, October 2007, IDEM.

**Fiscal Analyst:** Bernadette Bartlett, 317-232-9586.